
STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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School Property Tax Control Board Meeting Minutes March 20, 2008

Call to Order: The monthly meeting of the School Property Tax Control Board was held on Thursday, March 20, 2008. The meeting was held in the Indiana Government Center South, Conference Center Room A, 302 West Washington Street, Indianapolis, IN 46204. Those in attendance were Tony Samuel, Richard Besinger, Roger Umbaugh, Debbie Hineline, Joseph Bronnert, Dr. Denise Seger, David Bowen, Paul Joyce, Morris Mills, Chuck McLean (Administrative Officer), and Linette Pedigo (Administrative Secretary).

Minutes and Discussion: Mr. Bronnert began by asking if there were any additions or corrections to the minutes from November 1, November 15, December 6, or February 21. Mr. Bronnert stated that on the February 21 minutes, Mr. Nemeth motioned to retain the same officers for the Board, not Mr. Bronnert. Mr. Umbaugh motioned to approve the change to the minutes. Dr. Seger seconded, and the motion carried by a vote of 8-0.

Mr. Bronnert commented on House Bill 1001 because it does affect schools significantly. He said that the Bill requires the State Board of Education to adopt administrative rules, setting forth guidelines for the collection of school sites and the construction, operation, and repair of school buildings, athletic facilities, and other categories of facilities related to the operation and renovation of a school corporation. The Bill also requires a school corporation to have a public hearing on the plans and specifications. It also requires the Department of Education to establish a central clearing house containing prototype designs for school facilities. Mr. Bronnert continued and stated that the Bill permits a school corporation to appeal to the Department of Local Government Finance and impose a shortfall levy to replace a shortfall and tuition-support levy imposed before 2009. It also provides that the Tax Control Boards are not abolished. The Bill states that a capital project is a controlled project if it will cost the political subdivision more than the lesser of two million dollars or the amount equal to one percent of the total bill's assessed value of the project. However, the Bill provides that if the project is in response to a natural disaster, emergency, or accident that makes the building or facility unavailable for its intended use, and it is approved by the County Council, it is not a controlled project. Mr. Bronnert went on to say that the Bill states that a controlled project for a school building for kindergarten to grade eight is subject to a referendum if the cost is more than \$10 million. A controlled project for a school building for grade nine through grade 12 is subject to a referendum if the cost is more than \$20 million. The Bill also provides that other controlled projects with a cost that exceeds the lesser of \$12 million or one percent of assessed value but at least \$1 million dollars are also subject to a referendum. Controlled projects that are not subject to a referendum are subject to the petition – remonstrance process. The Bill provides that the

review and approval by the Department of Local Government Finance is not required before a school corporation may issue or enter into bonds or other obligations if the school corporation's determination to enter into the bonds, lease, or other obligations was made after June 30, 2008. After June 30, 2008, review and approval by the DLGF is not required before a school corporation may construct or repair a capital project. Mr. Bronnert wanted to confirm that this basically means those projects will not be coming to the School Property Tax Control Board, and Mr. Chuck McLean, Administrative Officer, confirmed that that is the way the DLGF sees it as well. Mr. Bronnert continued and stated that House Bill 1001 allows a school corporation to appeal to the DLGF for a new facility adjustment in order to increase the school corporation's tuition support for the following year and to pay increased costs to open a new school facility or an existing facility that has not been used for three years. The Bill deletes the expiration date authorizing a school corporation to use money in its capital projects fund for utility service and insurance. It appropriates to the Department of Education from the state general fund \$10 million for the state fiscal year beginning July 1, 2008 and ending June 30, 2009, to make new facility adjustments and distributions that are approved by the DLGF. The Bill also provides that a school corporation does not need the approval of the School Property Tax Control Board or the DLGF before holding a referendum. It also provides that a school corporation may hold a referendum on whether a referendum tax bracket should be imposed to replace property tax revenues that the school corporation did not receive because of the Circuit Breaker. Mr. Bronnert asked if this was concerning appeals, and Mr. McLean stated that Counsel has not yet determined exactly what it means yet. Mr. Bowen then asked that in the area of referendums, if the cost is defined, to which Mr. McLean said they are still working on that, and they do not know if it includes financing or not at this moment.

Flat Rock – Hawcreek School Corporation, Bartholomew County: Officials request approval of a lease rental agreement with maximum annual payments of \$1,606,000 for a term of 24 years. Total project costs are \$19,675,000. The tax rate impact is \$0.7000 with no new facility appeal expected. There was an application filed for a petition and remonstrance process. The vote was 1,524 yeas and 542 nays. The school corporation did not modify any part of the project to address taxpayer concerns. The construction cost per square foot for Hope Elementary is 34.39% below the DLGF baseline.

The project involves minor reconfiguration and improvements at the existing Hope Elementary School, major renovation and reconfiguration of Hauser Jr.-Sr. High School, and the construction of a new building between and connected to these two schools which are located on the same site. The Hope Elementary School will become an intermediate school, grades 3-6. The new building will be an elementary school, grades K-2, and also contain some space which will be used by Intermediate and Jr.-Sr. High School students. The existing Cross Cliff Elementary will be removed from service.

Cafeterias and kitchens in Hope and Hauser will be removed and replaced by one kitchen and two cafeterias in the new addition. One cafeteria will serve grades K-6 and the other grades 7-12. The addition connecting the current Hope and Hauser buildings will contain approximately 95,500 square feet and include the following spaces:

- New shared central kitchen (3 existing will be closed)
- New K-6 cafeteria
- New 7-12 cafeteria
- Two new Jr. high science lab/classrooms
- Two new Sr. high science lab/classrooms
- New central HVAC plant for all buildings
- New indoor physical education facilities for K-12 use
- New physical education lockers and storage areas
- New elementary computer labs
- 18 new elementary classrooms
- Teachers workroom
- Fitness center room for fitness equipment
- Additional elementary restrooms
- Additional Jr./Sr. High restrooms
- Central offices

The new central kitchen and cafeterias will be built to meet FEMA 361 shelter recommendations for tornado refuge. The addition allows for central pick-up and drop-off for buses. With the addition, the school is under one roof/campus with a central heating and cooling plant to help reduce long term utility and maintenance costs.

Project Costs: \$19,675,000

Amount applied to debt: \$19,675,000

Annual Payment: \$1,606,000

Tax Rate Impact:	2007 AV	\$198,947,170
	Levy Needed	\$1,606,000
	Est. Tax Rate	.78

Appeal: no new facility appeal expected.

Present for the hearing: Thomas Peterson, Ice Miller; Philip K. Deardorff, Superintendent; Charles Wells, Attorney; Terry Burnworth, Architect; Conrad Powgy, Taxpayer; Jenny Wallace, Parent-Taxpayer-Educator; Jim Meser, Taxpayer; Tom Miller, School Board Member; and remonstrators Mary Price, Todd Monroe, William Price, and Cheryl Monroe.

Comments: Mr. Thomas Peterson, Bond Counsel from Ice Miller, began by stating that they had already been to Control Board and the issue had even been sent to the Commissioner, but after various meetings, the Commissioner asked that they come back to the Control Board to show where they stand now and the proposed revisions they made to their project.

Mr. Peterson went on to say that this project was determined by a long term planning committee of the school corporation who made a determination and recommended to the School Board that they close Cross Cliff Elementary School and build a new elementary school at the same site where the existing Hope Elementary School and Junior and Senior High School are. The reason for putting things onto one site was a feeling of great operational efficiency by having

transportation come to one location, having food services under one location, and to cross-utilize various facilities at this one site.

Mr. Peterson continued and said that they held their 1028 Hearing and their Preliminary Determination Hearing, at which time there was a presentation concerning tax rates. He then wanted to touch on the tax rate discussion that took place at the previous Control Board hearing. He stated that the maximum tax rate that would be fully implemented was disclosed at 78 cents. That is the cost that it would take just to amortize the bonds issued for this financing. That was the rate that was in the 1028 Resolution and considered and adopted unanimously by the School Board; it was the legal number required in the hearing. The debt service impact does not come on in full force because they will be paying interim rentals in the beginning to reduce capitalized interest so the original impact in 2009 is estimated to be 50 cents. So the entire 78 cents does not come on in the first year, it will be 50 cents in the first year. The maximum rate, at today's interest rates, was disclosed at 74 cents. Mr. Peterson then stated that this matters because with lease financing, there is a requirement that after the construction bids are taken, and after bonds are sold, the lease rentals have to be reduced to the debt service on the bonds plus trustee fees. Just because a certain dollar amount is disclosed up front does not mean that is what the impact will be; it comes down to what the actual costs are.

Mr. Peterson then stated there is debt that is being retired for this school corporation and that will affect what the net payment is and what the increase is for taxpayers. Again, he stated that the full impact of this new bond issue was disclosed and included in the Resolution, but for giving people more information as to what the net impact will be, that is reflected with today's assessed valuations. From the 2006 debt service fund levy, the net increase would be nine cents. From the 2007 debt service fund levy, which is lower than the 2006 because of debt coming off, the net increase is 47 cents.

Mr. Besinger then commented that he believes they should talk dollars it will cost per year because most people do not understand. He said that it is implying that the cost will be going down. Mr. Peterson stated that there are different parts of the Resolution that reflect what the total cost is going to be. He said that one of the most difficult parts that go into a 1028 Preliminary Determination Hearing is the attempt to reflect for the individual homeowner what the impact is; what the dollar amount is going to be if your home is assessed at a certain value. This information at the 1028 Preliminary Determination Hearing was presented in multiple directions to try to find a way that is relevant to everyone.

Mr. Peterson went on to summarize that he just wanted to make sure that everyone understands what rates were disclosed and what the impact will be because there was some concern at their last Control Board hearing about what rates were being discussed. He said that a lot of the rates discussed last time were coming from different directions and were not uniformly presented.

Mr. Peterson then stated that this bond issue was part of the petition/remonstrance process and it was approved by the property owners and registered voters by a count of 1524 to 542. At their last Control Board date, there was some discussion on if they had met with the remonstrators ahead of time. Mr. Peterson said that they had not met with them formally, but they did meet with them at the request of the Commissioner and staff after the Control Board hearing during

which time they heard a proposal from them. The school then looked at what they could do to revise and to meet some of the other concerns. One of the concerns that came from the past Control Board hearing was that there were too many classrooms when they do not yet have the need for them. Mr. Peterson referred the Board to the two floor plans given to them, one being the original plan and the other being the revised one. He stated that four classrooms have been removed, which has its greatest impact on the new elementary school which has 2 pre-k classrooms and 4 kindergarten classrooms. He said the reason they moved up to four kindergarten classrooms is the anticipation of full-day kindergarten. There would be four classrooms for first and second grade, and for third grade through sixth grade they would just have three classrooms per section. He said they would get by with having only three classrooms by figuring out a way to make it work, which may mean some shifting around between sections or they may have to utilize rooms that are meant for other purposes, but the feeling is that if they need to cut classrooms, this plan makes the most sense.

Mr. Peterson continued and stated that new laboratory rooms are being added at the high school which will allow the old lab rooms to be reconfigured as two rooms; one of those being a traditional classroom and the other being a computer lab or another secondary-type lab facility.

Mr. Peterson then stated that this new plan is one that allows them to keep their options open because if they need to add classes later on because of growth, they would be able to add them on where they were originally.

Mr. Peterson then said that a secondary concern presented by the Control Board was that there was too much physical education space being utilized as part of this project. He said that they are coming from and closing another school and bringing those people in, so adding more physical education space is something that should be expected. The Long Term Planning Facility Committee had a concern that there was not enough gym space when it came to extracurricular activities of boys and girls. They felt they needed a facility that could be used by various ages, not just by the elementary school. Mr. Peterson stated that they have reduced the size from three courts to two courts, which is a reduction in the physical education space. Overall, he said this reduces the size of the project, which reduces the cost and therefore reduces the rate impact over the life of this financing, and they will just have to find a way to live with the changes.

Mr. Peterson stated that this size reduction reduces the cost \$1.2 million, which will allow them to reduce the bond issue by one year. The second significance to this is a reduction of \$1.2 million in interest being paid, which would be approximately a five cent reduction to the rate. Mr. Peterson then summarized that the School Board considered the proposals and the determination was to come back with their recommendation to reduce the size of the physical education facilities and to reduce the scope of the project by four classrooms with an anticipated reduction in costs to the bond issue of \$1.2 million; from \$19,675,000 to \$18,475,000. He added that these were two major concerns from the last hearing, and that these are changes they made that they could live with, though they weren't part of the original plan

Mr. Bronnert then asked if their first request for maximum annual payments of \$1,606,000 for a term of 24 was years changing. Mr. Peterson said it would now be a 23-year term by taking the \$1.2 million off.

Mr. Deardorff, Superintendent, commented that their latest estimate on the impact that the Circuit Breaker will have on their school district is less than \$1000. Mr. Peterson added that when the Circuit Breaker first came into existence, there was some serious concern in the bond market as to how debt service would be paid for schools. He said there was a provision that if the debt service payment is not made, they will take part of the school's state tuition support to make that payment for them. He said that now the statute is specific in that debt service gets paid first, but with this Circuit Breaker impact, it should not be significant.

Mr. Mills then asked if their assessed value that they claim is up 7% for 2007 pay 2008. A respondent said that it was for 2006 pay 2007.

Mary Price, a remonstrator, took the floor and stated that the town of Hope has about 50 employees in their Industrial Park, and the school district has 170 employees and is the largest employer. She stated that Commissioner Musgrave of the Department of Local Government Finance said that a lot of the state is at 0% growth, so that is not unusual. The school district's attendance dropped this year from 1095 to 1054. Ms. Price stated she, along with the other remonstrators, wanted to show that Flat Rock – Hawcreek has three gyms and also has access to three additional PE spaces. She stated that they received their property taxes November 1, 2007 and they were here on December 6, 2007 for the hearing. On January 22, 2008, the school met with Commissioner Musgrave, and on January 24, 2008, the remonstrance team met with the Commissioner. She instructed the team to present an alternative plan to the school corporation and return it to her in one week. On January 30, 2008, they presented their two plans to the school representatives and sent it up to the Commissioner. On February 1, 2008, they presented it to the public, and on February 5, 2008 the School Board rejected both of their plans. Ms. Price continued and said that they have \$200 million assessed valuation in the two townships, and there are only 3300 parcels of land. The total population is only 5554 people and 57% of the residents are low to moderate income. 1.1% is industrial and any increase will be paid by homeowners and farmers.

Mr. Todd Monroe, a remonstrator, took the floor and stated that Cross Cliff Elementary School has 15 classrooms, 11 regular classroom teachers, and two special education teachers. Enrollment is 235 for an average class size of 16. The gym itself is a multi-purpose facility that serves as the cafeteria, the gym, and a gathering facility. He said that he feels this facility is large enough and adequate enough. Mr. Monroe then moved on to the Hope Intermediate School which has 18 classrooms and an additional art and music room. There are 13 regular classroom teachers and 3 special education teachers. The enrollment there is 306 and the average class size is 17 students. The gym itself is a dedicated facility with a full-sized basketball court, showers, and locker rooms. Mr. Monroe stated that he feels this is also an adequate facility for the enrollment. With regards to Hauser Senior High School, Mr. Monroe stated that there are 30 classrooms, 28 teachers, three special education teachers, and three miscellaneous study halls. Currently their enrollment is 513 and the average classroom size is 18. The gym itself is a dedicated facility with its own weight room, separate locker rooms, coach's rooms, and it is very similar to the size of schools with this enrollment. There is also a multi-purpose room that is very close to the size of the gym itself. Mr. Monroe goes on to say that there are other facilities that are available for after-school activities; a nearby church and the Hope Community Center.

The Community Center was the old high school gym. Both are within walking distance, and the Community Center has a daily bus that goes to the schools for the after-school programs. Mr. Monroe then reverted back the multi-purpose room, which he said is 75' x 90', and is currently only utilized for banquets, small meetings, and a few after-school programs. He summarized by saying that there is no need for a new gym with two basketball courts because of all of these other facilities already located in the school district. Mr. Monroe added that the complex for the elementary students also includes a state-of-the-art weight room.

Mr. Monroe continued and said that they have an issue in Hope over waste water. They have been cited multiple times for overflow and contamination of the water streams. He said they have gotten an order from the Indiana Department of Environmental Management to correct these problems by February 28, 2010. There is a debt that the Town of Hope already has on a new sewer plant and it is \$580,000. The work that has been ordered to be taken care of can impact the residents there a fairly good amount on their water and waste bills. He said a lot of people, especially the elderly, cannot handle a larger impact, and with this new school project it will be too much.

Ms. Cheryl Monroe, a remonstrator, took the floor next to discuss the Community Center. She stated that with the Hope Community Center, a large amount of people and families were fed from the Food Bank from 2006-07. She added that the Community Center is raising funds and trying to procure a grant for their own building project. This building project will include a racquetball court, a track, a soccer field, a pool with a locker room, a gymnasium, a teen room, an additional kitchen, and a community center. She said it is believed that the school could utilize this space for their extra-curricular activities and practices. The Community Center is located in the center of Hope, and a bus travels there after school.

Ms. Monroe continued and said that the projected enrollment for 2007-08 was 1077, and currently it is 1054. Their projection decreases, so there isn't a need to build on and add more classrooms. There is also the concern that by spending a lot of money on the building and athletic programs, there may not be a lot of money leftover for the classroom supplies. She then said that the initial plan proposed by the school had 90,000 square feet, which has since been reduced, but she is still concerned about the amount of gym space. She stated she was also concerned about some of the classrooms on a proposed mezzanine level not being wheelchair accessible. In addition, Ms. Monroe stated that there was an increase in 34 classrooms in addition to the current 65 that they already have, for a total of 103. With the elimination of the 15 classrooms from Cross Cliff, there will be a total of 88 classrooms. She said they now have 66 teachers and a couple assistants, which will leave 22 classrooms unused. Ms. Monroe then added that there will be a limited amount of playground space due to the added parking lots in the back. She said that they have no problem with the addition of the four new science labs, though there is some concern with the kitchen area and access for food coming in and out of that area.

Ms. Monroe then asked if the school district can really afford the cost of operating and maintaining the building in the future. To pay for this, additional funding will be needed per year for the current tax levies for collections. She said that currently their debt budget estimate to be raised for debt services is \$1,026,385 based on 1000 children, which equals \$1026 per child. If Flat Rock – Hawcreek spends \$30 million on the life of the loan on a 24 year payment plan, the

debt will increase by \$1153 per child, which means the debt will be \$2179 per child every year for the near future. She added that this would cause an 18% tax increase.

Mr. Bill Price, a remonstrator, took the floor next and explained the two floor plans that he and his remonstrating team came up with. Their first proposal was to retain the present Cross Cliff Elementary School, which needs only two extra classrooms, one in art and one in music, and extra gym space. This facility also contains its own sewer plant, so they had contacted Columbus Utilities and their worst-case expense to hook up Cross Cliff to the Columbus sewer system was \$630,000. This would allow the school to not have to keep up their high sewage plant, but they would be required to keep up the lift station and to make the regular payments on sewage. In summary, they would add playground fencing and a 6000 square foot gym and to add two classrooms and some storage. The school district would then try to sell the sewage plant. Mr. Price then went on to Hope Intermediate School, where he stated there is no need to add classrooms, they would add an air-conditioning system to improve air quality and fix the library floor. At the high school level, they would add four science rooms and study halls, a new roof, a new boiler system, and a multi-purpose room to be used for labs, classrooms, and study halls. Mr. Price said the total cost of this proposal, which repairs the schools they already have, is \$4 million.

Mr. Price then began to talk about their second proposal, which was to close Cross Cliff and build a new connector between the two remaining schools. They would still do the present changes to Hope Intermediate, and with the High School they would still do the new roof, the new science labs, and moving the cafeteria to make enhanced study halls and a library. Mr. Price said the cost for this was about \$11 million. He then stated that with respect to cost per square footage, the school's cost was always in the \$128 range, but in their community the closest amount to that was \$190 per square foot for Columbus's new school.

Ms. Mary Price took the floor again and spoke about Bartholomew County spending a lot in public funds; \$250 million. She said there are just two school corporations in Bartholomew County, BCSC and Flat Rock – Hawcreek. BCSC is supported by an assessed valuation of \$3.2 billion, and Flat Rock has only \$200 million. Ms. Price then finalized her comments by saying that with their submission of plan #1 they expand areas and deal with immediate repairs required by necessity. To abandon a building, which is their best structure, and to building another building for the same purpose is wasteful. It does not utilize the available resources in a manner that shows conservation of public funds and of energy.

Mr. Besinger then asked the remonstrators about the multi-purpose room and if it is high enough for a gym, to which Mr. Monroe stated that he did not know if it was high enough for a basketball court, but he added that that idea had never been mentioned at a School Board meeting or presented to them.

Mr. Bronnert commented that the remonstrators had made a very compelling argument. He then asked the audience for those who oppose the project to stand up and then those who were in support of the project to stand up.

Mr. Bowen stated that he was one of the three that voted in support of the project at their last hearing. He then said that he does object to this process because this is the first time in his four years they have ever had a group come back to the Control Board after a vote. He said he usually spends two to three hours reviewing the projects, and it is very unfair to expect them to make a good decision based on material that is given to them the day of the hearing. Mr. Besinger then commented that he does realize where the remonstrators are coming from because they are at a big disadvantage. The School Corporation has a number of professionals working on their side, and the remonstrators do not; they do not know the ropes of coming to the Board, writing, etc. Mr. Besinger agreed that they should have all the materials ahead of time, but he understands that the remonstrators do not know all of these things and they are not always informed of those things.

Ms. Price wanted to comment that she asked the other remonstrators not to come because at the last hearing on December 6, 2007 there were too many people present.

Mr. Mills then stated that he believes this is a case where they need a study of the ongoing operational costs, not just the building costs.

Mr. Besinger said one concern he has are the extra classrooms because maintaining a building is very expensive. So if classrooms are sitting there idle or just using them sparingly, that is very expensive for the taxpayer. He added that with regards to their gym space, they have more than adequate facilities for the number of students. Mr. Deardorff responded and said that they did cut some of the classrooms, and they are trying to provide classrooms for special education students. He added that they do not have two science labs, they have two science rooms. One of those is a regular classroom with science tables, and the other one is a science room that was designed in 1965 where they still use the same test tubes and test tube holders, which is not adequate. He said that they want to expand their classrooms so they can also expand their programming. The needs of the classrooms are there, but as far as the PE facility, they want to close the Cross Cliff facility, which is very inadequate for a PE facility because it is in essence a cafeteria that is roughly about 50 feet wide. He added that the current multi-purpose room will be turned in to a multi-media center and a couple of classrooms; it cannot be made in to a gymnasium. They will have additional room there in the High School in order to improve their programming. He said they cannot improve their programming until they have the place to do that. The idea is to have the structure and the facilities available so they can offer programs to their students.

Mr. Terry Burnworth, President of Pyramid, said in response to Mr. Mills's earlier comment about operating costs, that with regards to maintenance and heating and cooling, the new addition is substantially less to maintain and run than the current Cross Cliff. He added that there is actually substantial savings by putting it into one central heating and cooling plant for this one campus. The deferred maintenance is several million, but the actual yearly bills they receive will be less than they are paying now. Mr. Mills said he was referring more to personnel costs.

Mr. Bowen then asked what the timing on this project is. Mr. Peterson answered that they would like to start this summer on construction. He then added that under statute, the Commissioner would have to make her decision by no later than the first week of May.*

Mr. Bowen commented that he would like to see a newly revised Hearing Information Sheet because he doesn't have the data that he needs to make an informed decision.

Mr. Peterson then stated why he believed this issue came back to the Control Board, and it is because this project was part of a petition / remonstrance that had a very high participation rate, but the original project was what was approved by the people of the Flat Rock – Hawcreek School Corporation. The second reason was that the remonstrators brought some of their own concerns, their own plans, and their own ideas which took a lot of work and a lot of effort. He added that the School Board took into consideration some of those ideas; they reduced the physical education space and they reduced the amount of classrooms. He also stated that they wanted to keep the focus here today on where the concerns were at the last hearing, not the financial information, which wasn't a major issue the last time.

Mr. Besinger stated that he has a problem with the fact that they have enrollment at roughly 1100 students and their capacity of the original plan was going to be for 1840 students, which was a lot of extra space. He said they now have taken away four classrooms, which will be about 120 students, so they will still have capacity for 1720 students, which is roughly 600 extra students they could put in to those buildings. Mr. Besinger stated that he understands what they were saying about special education, but he has a hard time believing that they cannot find room. Mr. Deardorff responded and said that they do not want 30 students in the classroom. They currently use the hall for tutoring, and at Cross Cliff they are using closet space for the speech pathologist. All they are trying to do is bring over 14 classrooms to Hope and Hauser Campus. They understand they were not to put that many classrooms in to their plan, so changes were made. Mr. Deardorff added that with high school scheduling, for example, it does not always allow students to be put in one classroom; they have to have various sections. They do everything they can to meet the needs of the students as far as programming, although they cannot even offer all of the programming that they would like to. At the same time, they don't always get the maximum number of students in a classroom just because the scheduling will not allow it. Mr. Besinger said he understands scheduling problems, but extra space is not needed. He said he is going by the information he was given which says that their enrollment is 1100 and their capacity is 1720.

Motion: Mr. Mills motioned to postpone a decision on this matter until the next hearing and that they receive a full set of materials again. Mr. Joyce seconded and the motion carried by a vote of 6-3 with Mr. Umbaugh, Ms. Hinline, and Mr. Bronnert casting the dissenting votes.

Additional Comments: Mr. Mills commented that what is bothering him right now in general is the new law on property taxes. Farmland will go up 35% next year, and another 15% the following year. With the business community, they will be paying three to four times as much per dollar of assessed valuation. He said that it will be much easier to get households to vote because they will not be paying as much for the bill.

Mr. Peterson said they will be giving the Board a new Hearing Information Sheet that reflects the changes made, and then the Commissioner will have until May 5 to make her decision.*

Mr. Samuel then asked for a show of hands from the audience as to who is employed by the School Corporation, and who are parents.

Mr. Powgy, a taxpayer, took the floor and stated that it is better to do the wrong when something needs to be done than the right thing too late. He said the perception of the community is that it is their community, their school, their School Board, their money, and their decision to modernize the school. He said it is better to have the process started imperfect than to try and regroup at a future date when it may be too late. In this case the costs are reduced because of the actions of the Legislature, and they receive the benefits. They know what their agenda is and the School District has been operating on borrowed time for years. The road between the two campuses that the school buses travel through daily is a serious accident just waiting to happen. This possibility needs to be removed.

Ms. Jenny Wallace, a taxpaying parent and educator, took the floor next and stated that at Hope Intermediate, her son and daughter never had a class smaller than 28 students. In her son's sixth grade class, there were only three classes and there should have been four. She added that that was the year that the State reduced the transportation allotments by 40%, and during that year his class average fluctuated between 30-34 students. As a teacher she said it is tough to be a teacher with a large number of students. Ms. Wallace then said that at Flat Rock – Hawcreek they are supposed to have a commitment to smaller class sizes, which was one of the attracting factors when she and her family moved to that district. She said there are two design flaws at Hope Intermediate and a roof system that does not work. The gymnasium at Hope Elementary was built too small and is not safe. She said the Community Center was their former Hope High School and it was used for an Elementary school for years, but it costs \$50 an hour to use their gymnasium facilities, and there is only cold water available. She said that for \$3000 less per student, Flat Rock – Hawcreek is educating their children as compared to what it costs to educate kids at BCSC. Ms. Wallace added that they have received two accommodations this year for their quality of education, particularly at the high school level.

Mr. Jim Meier, a taxpayer, was next to take the floor and said that the cost of making the three existing schools current and up to speed would cost around \$40 million. If they went with the new building change he said they would be up to code, have lower maintenance, and get all the buildings that were needed for the \$18.9 million. He said the plan of putting it all in one central building makes a lot of sense. The remonstrance process caused them to talk to and educate the people on what they were trying to do. The remonstrators had the same opportunity to talk to the people about the disadvantages. In that month's period of time, they had over 1500 people say they wanted to do this project, and the remonstrators only had 500. Mr. Meier stated that he just doesn't understand why this project is not getting approved; they made all the necessary cuts and they have a 3-1 vote in favor of the project. He asked what good has the remonstrance process done for them, the supporters. These delays keep costing them money.

Mr. Samuel then wanted to address Mr. Meier by saying that the petition / remonstrance process, as well as the Control Board, are both a part of the whole process. The final part is the decision by the Commissioner. This Board voted to recommend denial of this project by a 6-3 vote. The easy thing for the Commissioner to have done was to take the Board's recommendation and deny this project and they wouldn't be there getting their second chance. He added that the

Commissioner is scrutinizing everything a lot more than has been previously done in the past and that is because of the property tax crisis that is happening. This is a serious issue for the whole state, and school projects are part of the whole issue. He said it was a good thing that Flat Rock is back here again and that there is so much scrutiny because it is a near \$20 million project.

Ms. Wallace commented that it has seemed to her that in the past few years, School Corporations have been spending money because they feel that since it is on education that it must be good for the kids. Consequently, she added, communities have gone in to those building projects not fiscally ready to take on the debt. She asked the Board to consider where Flat Rock – Hawcreek is fiscally. She said past School Boards have worked diligently to put them in a position now where they can do what they feel they have been working and preparing for the children of the future. She asked that they not be penalized for the bad decisions made by other School Corporations around the state.

Mr. Meier then said that at a school their size, everyone has a chance to participate in sports. He said that there is a lot that can be learned from competing, even if it is on a smaller scale.

Mr. Mills added that what this project does is place a 10% mortgage on every piece of property in the district. Mr. Meier stated that he believed it was only \$100 for \$100,000 house.

Mr. Tom Miller, School Board member, then commented that there is a lot of inaccurate information and holes in the remonstrators' plan.

*The deadline for the Commissioner's decision is April 19, 2008, not May 5, 2008.

Monroe County Community School Corporation, Monroe County: The School is requesting approval to execute a lease in the amount of \$40,685,000 with maximum annual rental lease payments in the amount of \$3,264,000 for a term of twenty four (24) years. The project consists of the construction of a new Fairview Elementary School, improvements to Tri-North Middle School, an addition to and renovation of Binford Elementary School and renovations of the Service Center/ Bus garage and the Administrative Building.

Project Costs: \$40,685,000

Amount applied to debt: \$40,635,000

Annual Payment: \$3,264,000

Tax Rate Impact:	2007 AV	\$5,590,738,387
	Levy Needed	\$3,264,000
	Est. Tax Rate	.0538*

(*To be off set by the elimination of tax rate for Bonds issued in 1989 & 1992, net impact on 2009 taxes to be Zero)

Meeting and Publication Dates:

Date of publication of the 1028 Hearing	12/04/2007
Date of Hearing of the 1028 Hearing	12/18/2007

Date of the Notice for the Preliminary Determination Hearing	12/04/2007
Date of Preliminary Determination Hearing	12/18/2007
Date of Publication of the Preliminary Determination	12/22/2007
Auditor's Certificate of No Remonstrance	01/22/2008
Proof of Publication of Notice on Hearing of Lease	01/19/2008
Excerpts & Minutes approving form of lease	Missing

Common Construction Wage Hearing held 02/19/2008 Vote: 2-0-1

Appeal: The unit estimates a new facility appeal of \$140,000 or \$.0024 tax rate due to this project.

Present for the hearing: James Harvey, Superintendent; Valerie Merriam, School Board Member; Jim Muehling, School Board Member; Mike Scherer, Direction of Extended Serv; Tim Thrasher, Controller; Kelly Abel, Construction Manager; Karl Sturbaum, Bose McKinney & Evans LLP; Martin Truesdell, Stair Associates; and Lonnie Therber, Financial Advisor for Therber & Brock.

Comments: Mr. James Harvey, Superintendent, began by stating that this proposal is the first stage of their second long term facilities plan. The first plan was initiated in 1987 and completed in 2006. The second plan which is scheduled to be completed in 2028 was adopted by the School Board in April of 2007. The goal of this 20-year plan is to complete major renovations and new construction in a timely manner without a major impact on the tax rate. Mr. Harvey continued and said that major projects which require the sale of bonds would coincide with the retirement of current bond issues. Each year significant repairs and renovations are completed by using Capital Project Fund dollars. As is the case with the entire long range facilities plan, this facilities proposal will keep the debt service rate and the capital projects fund rate steady; the sale of bonds for this project will result in no increase to the debt service fund rate. He went on to say that this proposal includes seven projects, including the only new building in this 2—year long range facilities plan. The keystone of this proposal is the new building to replace Fairview Elementary. Fairview Elementary was first constructed in 1893 with major additions in 1928 and 1953. He stated that it is not ADA compliant, and it is more cost-effective to replace it than to renovate it. They intend to build a new elementary school on the same site to maintain a central-city presence near downtown Bloomington. He continued and said that the proposed renovations for Tri-North Middle School and Binford Elementary will complete their updating. They are sister schools both built in 1959. Aurora Alternative High School is housed in a commercial building converted for school use in 1997. The proposed renovations would bring it to the standards of their other schools and will allow full implementation of instructional programming for the Core 40 requirements. Mr. Harvey said they are the local education agency for the Hoosier Hills Career Center, which was constructed in 1973. The proposed project will allow Hoosier Hills to be a part of the high school with the addition of classrooms, updating of labs, becoming ADA compliant, and it will be served by modern mechanical systems. The final two buildings to be addressed in this project are the Administration Center and the Service Building. Mr. Harvey continued and stated that the Administration Center was built in 1969 and has not received a major renovation. It has major code compliance issues on the second floor, and the roof and mechanical systems need to be replaced. The Service Building was also built in 1969

and has also not received a major renovation. The current bus garage, located in the lower level of the Service Building, cannot adequately serve all of the buses. He said that all mechanical systems need to be upgraded or replaced. To conclude, Mr. Harvey stated that no one has spoke out against this project during any of their public hearings.

Mr. Umbaugh stated that their funding looks fine overall, but asked if there was any consideration given to using a GO Bond for a portion of this project. Mr. Lonnie Therber, financial advisor, stated that it was considered but the School Board had made a commitment to the public not to have its combined debt service fund rate and the capital projects fund rate exceed a certain level. So they are going light with the debt service for a couple years. Mr. Umbaugh then asked if the reason for the capitalized interest for the two years was to make sure that the tax rate was maintained, and Mr. Therber confirmed that.

Mr. Bowen then asked a question about the Administration Building, and why there is a difference between the square footage listed in the cost estimate section, which is listed at 19,000 square feet, and the actual building size which is 28,000 square feet. Mr. Harvey answered that the building is three levels, and the lower level, which is included in the total square footage, is basically storage. The offices are on the second and third floors. Mr. Bowen asked if there was going to be any work done in the basement, and Mr. Harvey said they are going to take care of a drainage problem, maybe add a meeting room, but there will be no offices down there. Mr. Bowen pointed out that on the Cost Estimate page of the Hearing Information Sheet, the addition is listed at 2204 square feet, and the Individual Project Breakdown Sheet says it is 3360 square feet, so he wanted to know which was correct. Mr. Harvey said the addition on the Administration Building is two staircases and two restrooms in each of the stairwells. Mr. Bowen then stated, with regards to the cost estimate of the square footage addition to Aurora, that there is an 1800 square foot science room being added at \$238 per square foot, and half of that is classroom space so that number sounded large to him. He added that on the other science room addition of 640 square feet, the cost per square foot is only \$35. Mr. Bowen wanted to know how they reconciled those two numbers. A respondent stated that the first one has included in it the lab and the lab equipment. The second one is just simply adding space which is currently just a loading dock. Mr. Bowen then asked about patching the floor in the main entry and why it would cost \$34,000, which would come out to \$850 a square foot. The respondent said that number includes all the corridors as well.

Mr. Bowen then wanted to confirm that the old Fairview Elementary School is going to remain until the new one is constructed, and the respondent confirmed. Mr. Bowen asked if they found that to be a feasible approach because the new building is going right up against the existing building. The respondent stated that the existing building is where the parking lot is and along the street. Mr. Bowen said that it also butts up along the new utility room, so he asked where the new utilities will be coming from. The respondent said they do not know, but they do have to investigate and analyze that. He added that the construction will be staged to the south and the existing playground area will be eliminated. The kids will have to go to a nearby park to get their outdoor play in. Mr. Bowen wanted to know what the pressure is to do it that particular way, and Mr. Harvey said there is a city park one block north on Fairview. He added that if they need to relocate some kids during this process, they could send some grades to Tri-North Middle School, which is about a five minute bus ride, though they do not feel they will have to do that. He said

they have done this once before back in 1993 when they built a new school on the site of the old school. The feedback they got from the parents is that they understand that there might not be any playground space. Mr. Bowen commented that he was surprised the Fire Marshalls would let them get by with a plan like this since the building is going to be built right up next to the existing building. He added that this is something they will have to face as time goes on.

Mr. Bowen asked why they have a 25% contingency on Tri-North Middle School. Mr. Mike Scherer, Director of Extended Serv, stated that they are anticipating costs for the ADA access from the building to the football field and for some floor issues in the locker room area next to the gymnasium. Mr. Bowen then asked if they find out that they do not need the \$400,000 contingency, what they would do with the money. Mr. Scherer said they would normally give it back unless they can think of some other needs. Mr. Harvey stated that this school is on the northwest side of town which sits up on a hillside. There is a City swimming pool on the south side, so the outdoor physical education facilities are on another plateau down from the school. This school was built 50 years ago, and the only way to get down there is to walk down the hillside or on a sidewalk that is too steep. He added that there is also some drainage issues associated with this area. He said that they refer to this area as the football field because of its size, but they do not play games there; it is used for PE classes and for practice. Mr. Harvey summarized that they do not know what all of this work will cost.

Mr. Joyce then confirmed that they have seven Board members, and that five voted for this project, and Mr. Harvey confirmed this. Mr. Joyce asked about the two that didn't vote, and Mr. Harvey explained that one was out of town and one was ill. He said that in his opinion, they are in favor of this project.

Mr. Joyce asked why they are not using their Capital Project Fund for some of the expenditures, to which Mr. Harvey stated that they will use some of their Capital Project Fund with Binford Elementary. He added that when they presented the initial long range facilities plan 20 years ago, they put a balance between capital projects and the debt service. He said if they were to do these projects out of the Capital Projects Fund, it would lengthen this out over a much longer period of time. Mr. Harvey added that the first stage of the long range facilities plan had more new buildings than this second stage which only has one. They are only growing at about 1% a year, so they do not anticipate the need for any new construction other than what is in this plan. He said that with this long range facilities plan, they will do as much with their Capital Projects Fund as they possibly can.

Mr. Besinger asked what their budget is on the Capital Project Fund for 2007. Mr. Thrasher, Controller, answered \$8 million. Mr. Besinger wanted to know how much of that \$8 million is used for insurance, salaries, severance pay, retirement programs, etc. Mr. Thrasher said that about \$2 million comes out for utilities. He added that they are lowering the levy around \$1 million in the Capital Projects Fund to offset retirement and severance pay. Mr. Besinger asked if there were any salaries in that figure, and Mr. Thrasher stated that with the skilled maintenance and the computer techs the amount is in the \$1 million range. Mr. Besinger then asked if they have any other expenses other than what the Capital Projects Fund is normally used for, because they have \$4 million in that fund, and if they were using that money like it should be intended for, they would not need to come to the Control Board for a lot of these projects. He added that

when they did the severance they really didn't lower the taxes; all it did was postpone them. They are taking expenses out of their Debt Service Fund so now they are at the Control Board wanting money to do projects that could have been done by their Capital Projects Fund. Mr. Harvey then pointed out that they are the 20th largest school corporation in the state, and in 2007 they ranked 222nd out of 294 in General Fund funding. They receive \$5674.65, and if they were funded at the state average, which for 2007 was \$6044.94, that \$370 difference in General Fund funding would be \$3.9 million more per year. Mr. Besinger said they need to learn to live within their budget. Mr. Harvey again said that this plan will not raise the tax rate. Mr. Besinger then said that that statement is deceiving because they should talk in dollars about what the project is going to cost because if assessed valuations go up, then tax rates can go down, but the project will still cost the same. Mr. Harvey said that in their hearings about this project they had communicated with the public that if they did not do this project, the debt service tax rate would go down 5.5 cents.

Dr. Seger asked if Hoosier Hills Career Center serves students outside of Monroe County. Mr. Harvey stated that yes, they serve students from Eastern Greene County, Martinsville, and eventually Bean Blossom. He added that they have discussed this with the other school corporations and they are fully aware of the renovations. Most of the renovations at Hoosier Hills are of existing labs and some additional classrooms. Dr. Seger asked is enrollment there is steady or if it is growing. Mr. Harvey said it is growing and there is no space for some of the programs, which is the reason for the renovations and addition of the labs.

Mr. Mills commented that they are one of the wealthiest school districts in the State.

Mr. Bronnert asked why they went 24 years on this project, and Mr. Therber said that there are 20 years of payments right now.

Motion: Mr. Mills motioned to recommend approval of a lease rental agreement with maximum annual payments of \$3,264,000 for a term of 24 years. Mr. Umbaugh seconded and the motion carried by a vote of 7-2 with Mr. Samuel and Mr. Besinger casting the dissenting votes.

Southeastern School Corporation, Cass County: The school is requesting an approval to execute a lease in the amount of \$6,375,000 with maximum annual rental payments to be \$1,150,000 for a term of fifteen (15) years. The project consists of remodeling & enlarging Science labs, Vocational classrooms, and Art rooms (where CAD education is provided), to accommodate the needs of current technology. The work will be done in Galveston Elementary, Thompson Elementary, and Lewis Cass Jr./Sr. High School. In addition, all three schools will have upgrades done to electrical and environmental systems.

Project costs: \$6,375,000

Applied to Debt: 0

Annual Payment: \$1,150,000

Tax Rate Impact:	2007 AV	\$356,910,790
	Levy Needed	\$1,150,000

Est. Tax Rate .3222*

(Tailored payment plan, allows for interest only payment until other debt servicing is reduced.
Net impact .07 in 2014)

Meeting and publication dates:

Date of publication of the 1028 Hearing	12/07/2007
Date of Hearing of the 1028 Hearing	12/19/2007
Date of the Notice for the Preliminary Determination Hearing	12/21/2007
Preliminary Determination Hearing	12/07/2007
Date of Publication of the Preliminary Determination	12/21/2007
Auditor's Certificate of No Remonstrance	01/22/2008
Proof of Publication of Notice on Hearing of Lease	02/08/2008
Excerpts & Minutes approving form of lease	12/09/2007

Common Construction Wage Hearing held 02/22/08 Vote: 3-1

Appeal: none noted

Present for the hearing: John Bevan, Superintendent; Ian Jay School Board Vice President; John S. Damm, Attorney; Jane Herndon, Ice Miller Bond Counsel; James Dearing, Architect MSKTD; Rick Rambo, Architect MSKTD; and Damian Maggos, City Securities.

Comments: Mr. John Bevan, Superintendent, began by stating that about 15 months ago, the School Board held its annual recruit to discuss where they were, their goals for the future and to review the status of their facilities. They have been embarking through their Capital Projects Fund on upgrades to various things. In 2004, they redid the HVAC system at the High School, and in the last three years they have tried to pick off other projects through their Capital Projects Fund to upgrade their facilities. He said that the Administration came to the conclusion that in the process they now have several high priced projects that need to be addressed. Galveston Elementary is 50 years old, Lewis Cass High School is 40 years old, and Thompson Elementary is 30 years old. Mr. Bevan stated that although they have done a good job of maintaining those buildings, time catches up with mechanical systems as well as other parts of the buildings. As a result, the HVAC systems in both elementary schools need to be addressed, and in the high school the science labs are out of date and undersized. At Galveston Elementary, the boiler is 50 years old and not very efficient. The unit ventilators there, which distribute the heat and air conditioning, are completely out of date and are costing them a lot of money to do routine maintenance on them. He added that there is an air quality issue at Galveston as well, which causes moisture in the building which in turn affects the efficiency of those units. They also discovered the single pane windows from 50 years ago are in sad need of repair or replacement, and are not very efficient energy-wise. With Thompson Elementary School, the school gets it heating from underground piping from the high school. That piping is over 20 years old and is reaching its expected life expectancy. Mr. Bevan added that part of that piping runs under the addition to the High School that was done after Thompson was built. If it would fail, there would be significant problems with getting heat to the school. Also, the unit ventilators are obsolete and they have to get parts from the United Kingdom. With Lewis Cass High School, it was designed for smaller classes. They have five science labs, of which only two are adequate

size, but they are 40 years old and the equipment needs to be updated. The other three labs are too small for efficient class size and the ability to have the kind of labs that are needed today. The vocational area was designed for traditional vocational education, but now it needs to be reconfigured so that it can be used effectively and efficiently with the types of vocational education classes they are offering today. Mr. Bevan continued and said that they have two art rooms that are too small for the demand. In the process of reconfiguring the vocational area, they will make room to enlarge the two art rooms within their area and make that more efficient. Welding is in a cramped area as well, and will also be a part of the reconfiguration. He then stated that there are some issues of building security and ventilation with their secondary gym space. It is a closed space with two double doors that open directly outside, and those doors are kept open most of the time so there is adequate ventilation, but no building security. They would like to do some ventilating there and put foyers outside those two doors so they have better security. He added that there is also a weight room that has only two ways to get in and out; one is to exit the main gym, go outside and enter through an outside doorway; the other is to go through the girl's junior high locker room. He stated that the last part of the project is to relight the football field because the polls are 40 years old and are made of wood and have passed their life expectancy.

Mr. Bevan concluded by saying they are not trying to do anything fancy or out of the ordinary; they are just trying to make what they have more effective and more efficient in the future. They made an effort to get out to the public by sending out 5500 copies (one to every mailing address) of their newsletter which contained the estimated cost of the project and what it would cost the taxpayers of a \$100,000 home or an acre of farmland. In addition, they posted the entire project on their website. He added that there was no remonstrance and there has been very little discussion of this and no negative comments that he is aware of. They also have the support of the local library district, with which they do a lot of cooperative work, and they have letters of support from Senator Weatherwax, who is their State Senator, and Representative McClain, who is their State Representative.

Mr. Besinger asked what their budget is on the Capital Projects Fund. Mr. Bevan said it is about \$1.5 million. Mr. Besinger then asked if they use any of that money for insurance, and Mr. Bevan said about \$350,000 a year. Mr. Besinger asked about salaries, and Mr. Bevan said perhaps \$20,000. Mr. Besinger then asked if they use any of it for severance pay, to which Mr. Bevan said about \$190,000.

Mr. Mills asked what their interest rate is now, and Mr. Bevan said that when they put the project together, they estimated high at 6%. Mr. Damian Maggos from City Securities added that about a month ago, when this was submitted, rates were at an average of about 4% for a 12 year financing. He said they are not looking for a 20 year financing on this, but rather a 12 year financing that is phased in around the existing debt that is coming off in 2013. It makes sense to make minimal payments until 2013 and then full payments after that because they are able to reduce the impact on the debt service rate, and they are able to pay the bonds off quicker and save about \$1.8 million in interest. He added that, depending on what day it is, the rate could be slightly under or slightly over 4%. Mr. Mills then wondered whether that would be allowed under HB 1001. Ms. Jane Herndon, Bond Counsel from Ice Miller, stated that House Bill 1001 has a general comment about level payments, but there are exceptions to that and one is overall

level payments, so it does allow you to structure around existing debt. She summarized that in their opinion, they would be allowed to do that through this statute.

Ms. Joyce asked what the current balance of the Capital Project Fund is, to which Mr. Bevan said this year it was less than \$100,000.

Mr. Joyce then asked about the equipment they have listed in their packet. Mr. Maggos said that it is a pretty extensive list. Mr. Bevan added that they buy about \$200,000 worth of technology a year, so computers are not a part of that equipment list. He also said that when science labs are reconfigured, there may be technology going in to that that may not be part of their original technology plan. Part of what they are doing in the high school is upgrading to ceiling-mounted projectors that will handle the internet, DVD, or VHS. That is part of their routine plan. The science department will have to tell them what kind of specific hardware they need in there that is not part of their plan.

Mr. Besinger then commented that he supports the things they are doing on their project, but he does not like how they are using their Capital Project Fund. They are taking insurance and severance pay out, but if they had the Capital Projects money, they could be using it for projects like this. He added that taxpayers feel like they are getting a break, but they are really not; they are paying for it anyway. Dr. Seger then commented to Mr. Besinger that that is what the General Assembly allowed, but then Mr. Besinger said that he understands that, but that it is an option and they did not have to do it. Dr. Seger said it was an additional tax levy, and Mr. Besinger stated that it still isn't right to the taxpayer. Mr. Besinger felt that the public should be aware of the situation, and they are not.

Motion: Dr. Seger motioned to recommend approval of a lease rental agreement with a maximum annual payment of \$1,150,000 for a term of 15 years. Ms. Hineline seconded and the motion carried by a vote of 8-1 with Mr. Joyce casting the dissenting vote.

Metropolitan School District of Perry Township, Marion County:

Max Levy	Requested	Advertised	Qualifies (per worksheet)
2007 Shortfall	General \$500,000	\$500,000	\$
	Transportation \$300,000	\$600,000	
Appeals:	1996 School Transportation	\$257,140.00	
	2002 School Transportation	\$204,251.00	
	“ New Facility	\$231,909.00	
	2003 New Facility	\$327,336.00	
	“ School Transportation	\$242,743.00	
	2004 New Facility	\$471,036.00	
	2005 New Facility	\$471,036.00	
	“ School Transportation	\$304,091.00	
	2007 School Transportation	\$473,355.00	

Due to the Unique set of circumstances in Marion county, data is not currently available to determine qualification.

Maximum appeal unit can qualify for is:

Present for the hearing: Bob Harris, Business Manager

Comments: See below.

Metropolitan School District of Washington Township, Marion County:

Max Levy	Requested	Advertised	Qualifies (per worksheet)
2006 Shortfall	Transportation \$184,800	\$800,000	\$
	General \$ 2,420,045	\$5,000,000	

Appeals:	1997	New Facility	\$173,007.00
	2001	Shortfall	\$350,996.00
	'	"	\$1,622,670.00
	2002	"	\$152,627.00
	"	"	\$227,205.00
	2004	Shortfall	\$140,328.00
	"	"	\$1,010,139.00
	2007	"	\$127,056.00
	"	School Transportation	\$184,969.00
	"	Shortfall	\$894,744.00

Budget Year: 2006

<u>Funds: General</u>	Certified Levy	Actual Collections	Circuit Breaker	Difference	Rate
	\$39,847,807	\$37,686,671	\$0	\$2,161,136	\$0.7169
Total Levy	\$39,847,807	\$37,686,671	\$0	\$2,161,136	\$0.7169

<u>Funds: Transportation</u>	Certified Levy	Actual Collections	Circuit Breaker	Difference	Rate
	\$5,085,890	\$4,828,098	\$0	\$257,792	\$0.0915
Total Levy	\$5,085,890	\$4,828,098	\$0	\$257,792	\$0.0915

General

District #	Errors	Refunds	Total	District Rate	Unit's Rate	% of rate	Unit's Portion
800 Wash. Twp. San.	\$919,812	\$13,195	\$933,007	\$2.5461	\$0.7169	0.2816	\$262,705
805 Crows Nest	\$4,850	\$0	\$4,850	\$2.5461	\$0.7169	0.2816	\$1,366
806 Highwoods	\$0	\$0	\$0	\$2.5461	\$0.7169	0.2816	\$0
809 North Crows Nest	\$0	\$0	\$0	\$2.5461	\$0.7169	0.2816	\$0
811 Rocky Ripple	\$557	-\$85	\$472	\$2.7885	\$0.7169	0.2571	\$121
815 Spring Hall	\$7	\$0	\$7	\$2.5461	\$0.7169	0.2816	\$2
817 Williams Creek	\$57,947	\$0	\$57,947	\$2.6194	\$0.7169	0.2737	\$15,859
820 Meridian Hills	\$25,561	-\$2,232	\$23,329	\$2.6191	\$0.7169	0.2737	\$6,386
822 Wynnedeate	\$0	\$0	\$0	\$2.6102	\$0.7169	0.2747	\$0
874 Indpls - Police	\$2,370	\$0	\$2,370	\$3.0280	\$0.7169	0.2368	\$561

876 Indpls - Fire	\$0	\$0	\$0	\$2.6658	\$0.7169	0.2689	\$0
Totals	\$1,011,104	\$10,878	\$1,021,982				\$287,000

Transportation

District #	Errors	Refunds	Total	District Rate	Unit's Rate	% of rate	Unit's Portion
800 Wash. Twp. San.	\$919,812	\$13,195	\$933,007	\$2.5461	\$0.0915	0.0359	\$33,530
805 Crows Nest	\$4,850	\$0	\$4,850	\$2.5461	\$0.0915	0.0359	\$174
806 Highwoods	\$0	\$0	\$0	\$2.5461	\$0.0915	0.0359	\$0
809 North Crows Nest	\$0	\$0	\$0	\$2.5461	\$0.0915	0.0359	\$0
811 Rocky Ripple	\$557	-\$85	\$472	\$2.7885	\$0.0915	0.0328	\$15
815 Spring Hall	\$7	\$0	\$7	\$2.5461	\$0.0915	0.0359	\$0
817 Williams Creek	\$57,947	\$0	\$57,947	\$2.6194	\$0.0915	0.0349	\$2,024
820 Meridian Hills	\$25,561	-\$2,232	\$23,329	\$2.6191	\$0.0915	0.0349	\$815
822 Wynnede	\$0	\$0	\$0	\$2.6102	\$0.0915	0.0351	\$0
874 Indpls - Police	\$2,370	\$0	\$2,370	\$3.0280	\$0.0915	0.0302	\$72
876 Indpls - Fire	\$0	\$0	\$0	\$2.6658	\$0.0915	0.0343	\$0
Totals	\$1,011,104	\$10,878	\$1,021,982				\$36,631

Maximum appeal unit can qualify for is

Present for the hearing: James Mervilde, Superintendent; and Joe Licata, Chief Business Officer.

Comments for both MSD Washington Township and MSD Perry Township of Marion County (both were heard simultaneously): Mr. Bob Harris, Business Manager for Perry Township Schools, began by saying that the shortfall appeal he applied for is for the 2007 school year. In Marion County, the 2007 will not be finalized until this summer, so it will be August before they get their distribution and even know how short they are, so he was confused why he was even there. Mr. Bronnert asked if he was basing this shortfall on the fact that he was only getting paid for 2006. Mr. Harris said no and that what he did was after the Governor ordered reassessment for Marion County, he filed this appeal for 2007 as a precautionary measure. In case they were short, they could capture the money in 2008 instead of waiting until 2008 and into 2009.

Mr. Joe Licata, Chief Business Officer for Washington Township Schools, stated that their shortfall appeal is from the property tax shortfall from 2006, so they are aware of the amount of the shortfall in the General Fund and the Transportation Fund from the 2006 property tax collection. He said they filed their appeal last summer and hope to collect that shortfall in 2008.

Mr. Chuck McLean, Administrative Officer for the Control Board, stated that the shortfall appeals are here today because these school corporations believe the revenues that were due to them did not appear. They are asking the Control Board to grant them that money by properly changing the levy or rearranging the levy. In talking to the Department of Local Government Finance, the reason these appeals are being expressed to the Board now is because Marion County has not yet completed its assessment and they wanted for the schools to go on record so that as soon as Marion County completes it works the Department can complete theirs as quick as possible. Mr. Bronnert then asked Mr. McLean if he recommended that they just approve everything that meets their criteria. Mr. McLean stated that he does not recommend that, but he

did want the Board to know that these schools have gone through the process and properly followed every procedure necessary in order to come before the Control Board and ask for this appeal.

Mr. Bowen then asked what the 1997 new facility appeal is that was listed on the summary, and Dr. Seger stated that that is just historical information that the DLGF listed, and Mr. McLean confirmed.

Mr. Besinger asked if this appeal was just a one-time tax rate increase and that it is not permanent. Mr. McLean confirmed that.

Mr. Harris of Perry Township Schools stated that their shortfall appeal was for property taxes that they were supposed to collect that, because of the erroneous assessed values, they didn't get. Mr. Joyce then wanted to confirm that this shortfall is based solely on errors and refunds, and Mr. Harris confirmed. Mr. Bowen asked if this was true for the transportation portion of the shortfall as well, and Mr. Harris confirmed that too.

Mr. Bowen stated that in the past when they had done transportation appeals they had received information about additional mileage and gas costs, etc. Mr. Harris said that this is just a property tax shortfall; this would not have anything to do with an increase in the levy. Mr. Joyce then asked how the shortfall is on transportation, and Mr. Harris stated that they will not know until August.

Mr. Umbaugh commented that this is the first time that shortfalls have ever come before the Control Board; it's always been handled by the Commissioner of the DLGF directly. Mr. McLean explained that to his knowledge, if an issue pertains to school corporations and their use of property tax money in any way, it is an issue that this Board should be aware of. By putting these shortfall appeals on the agenda, Mr. McLean felt like he was giving them an opportunity to publicly air their issue. If it is inappropriate for this Control Board to be hearing shortfall appeals, he explained that he will make that correction going forward. Mr. Umbaugh explained that he believed shortfall appeals were an arbitrary calculation that the DLGF made and the Commissioner handled. Mr. McLean stated that he will study what has gone on in the past and engage procedures to be consistent to what was done in the past.